

Regulatory Policies on Energy Efficiency and Renewable Resources

**Presentation for Governor's Task Force on
Energy Efficiency and Renewables**

December 16, 2003

Carol Stemrich

Paul Helgeson

Energy Priorities

- Energy conservation and efficiency
- Noncombustible renewable energy
- Combustible renewable energy resources
- Nonrenewable combustible energy sources
 - Natural gas
 - Oil or coal with a sulphur content of less than 1 %
 - All other carbon-based fuels

Energy Efficiency

- Conservation
 - Reduce energy use
- Load Management
 - Reduce peak demand
- Fuel Switching
 - Replace electricity with another fuel

Energy Efficiency Policies

- Attempt to capture all cost-effective energy efficiency over time
- Develop sustainable and robust energy efficiency infrastructure and marketplace
- Ensure fair competition in the energy efficiency marketplace

Energy Efficiency Strategies

- Aggressive energy efficiency goals
- Services to all customer segments
- Variety of options available to all customers

Energy Efficiency Goals

Developed over time

- Level of goals
 - Informed estimate
 - Long-range planning to develop potential
 - Normalization and negotiation

Energy Efficiency Goals (cont)

- Type of goal
 - Net benefits
 - Demand and energy
 - Energy
 - Measures of success

Services to all customer segments

- Cost-effective energy efficiency available in all customer segments
- All customers pay for energy efficiency measures
- Manifested in goals
 - Total company goal
 - Sector goals
 - Sector targets

Variety of options

- Types of options
 - Rebates
 - Interest rate buy-downs
 - Loans
- Results in higher customer participation

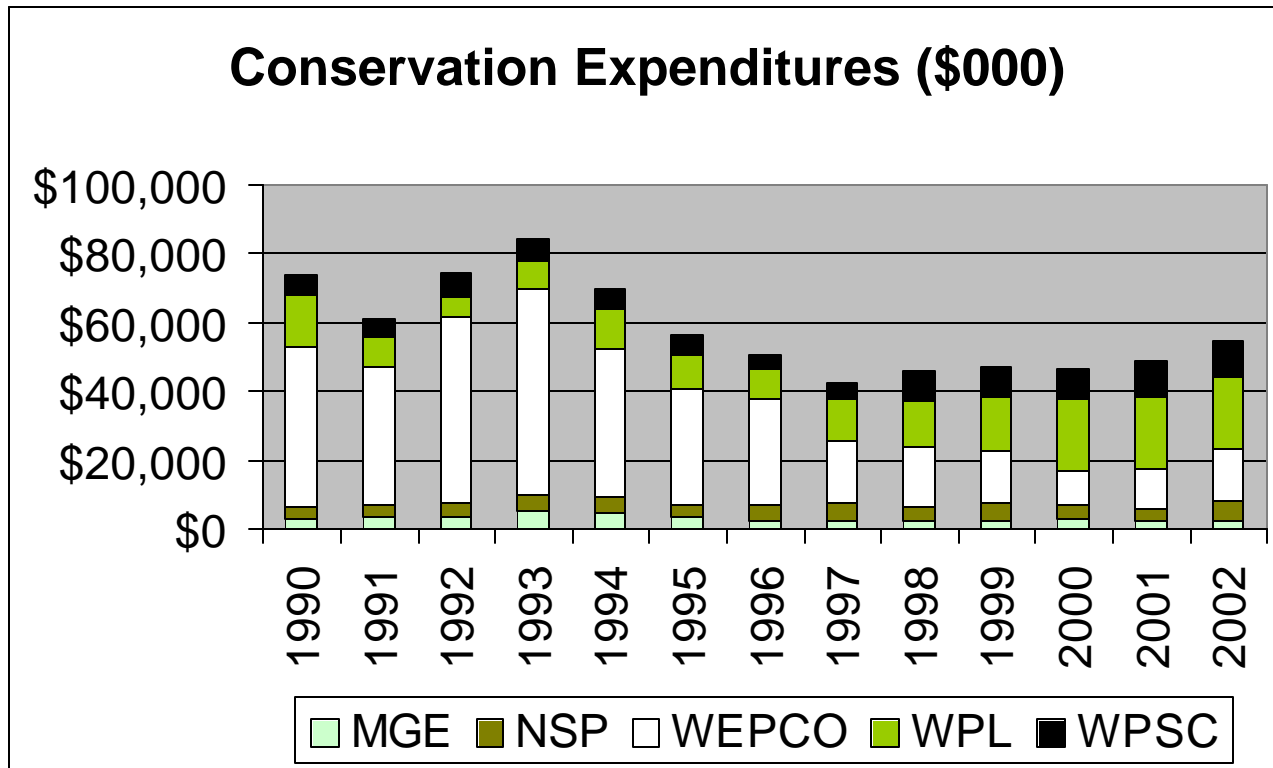
Energy Efficiency Infrastructure

- Neutral incentives based on savings
- Market preparation activities
 - Credit towards goals
 - Evaluation

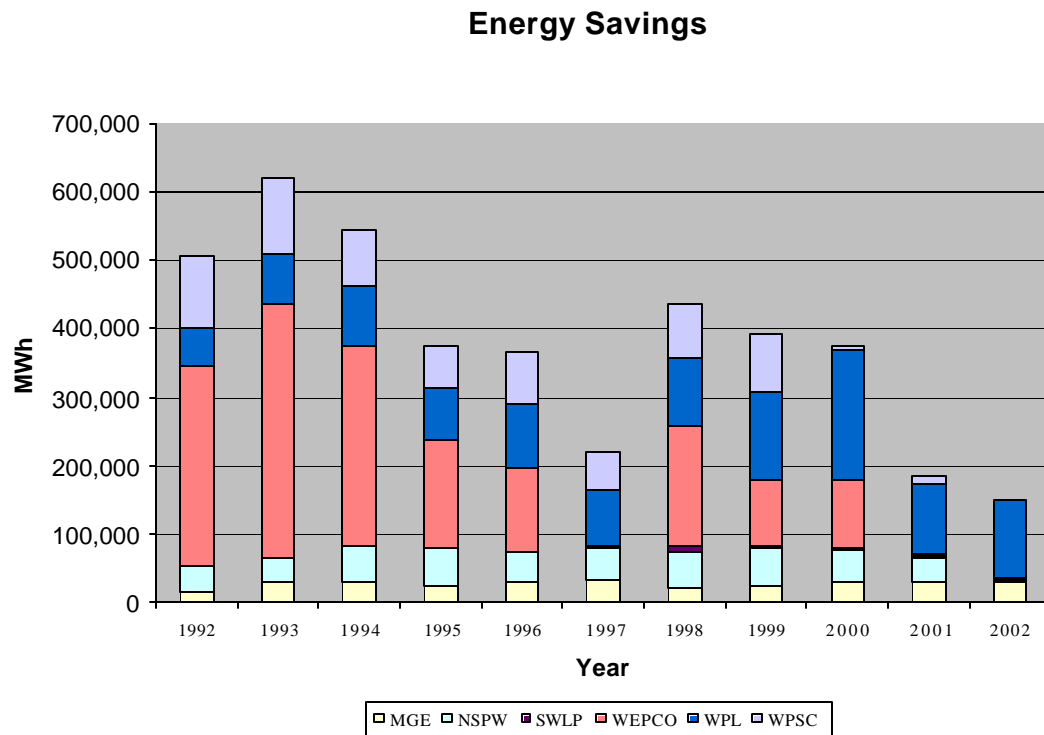
Ensure Fair Competition in the Marketplace

- Neutral incentives
- Use of contractors to install measures
- Design and delivery of energy efficiency services by third parties

Energy Efficiency Expenditures



Energy Savings (Annual)



Renewable Resources



Renewable Resources

- What are they?
- Regulatory Policies
- Renewable Portfolio Standard
- Green Pricing
- Renewable Energy Initiatives

Renewable Resources

- Fuel cells that use a renewable fuel
- Solar thermal electric or P.V.
- Wind power
- Small Hydro (less than 60 MW)
- Biomass
 - Landfill gas
 - Anaerobic Digestion
 - Co-fired with coal
 - Dedicated





Off Grid
Central. WI



Northland College Ashland WI

Renewable Resources

Also in Wis. Stat. 196.378(1)(h)

- Tidal or wave action
- Geothermal technology
- Any other resource designated by Commission in rules

Regulatory Policies for Renewables

- Net Metering for under 20 kW (June 1983)
- PSC 113.0207 (June 1983)
 - Interconnection Rules For Small Generators
- Advance Plan 6 (9/12/92)
 - Standard Contracts for COGs
 - Net metering for IOUs
 - Each utility to designate Renewable Contact

Regulatory Policies

- Advance Plan 7 (12/22/95)
 - Biomass Resource Assessment (needs updating)
 - Statewide Wind Siting Guidelines (draft)
 - Wind Resource Assessment (1/2002 report)
 - Statewide Daylighting Collaborative (ECW)
- 1997 Wisconsin Act 204
 - 50 MW by 12/31/00
- PSC 119: Interconnection Rules for DG

Regulatory Policies

- Efficiency and Renewables must be considered in CPCN process
- Green Pricing encouraged
- 1999 Wisconsin Act 9
 - Renewable Portfolio Standard (RPS)

Green Pricing Programs

● Alliant/WP&L	\$.02 KWh	
● Dairyland	\$.02 KWh	
● MG&E	\$.0333 KWh	4,500
● We Energies	\$.0204 KWh	12,000
● WPPI	\$.02 KWh	
● WPS	\$.0265 KWh	1,000

Renewable Portfolio Standard

- Established as part of 1999 Act 9 (Wis. Stat. §196.378).
- Applies to 110 Electric Providers in State
 - EPs with more than 10% are exempt.
- DOA monitors compliance.
- PSC responsible for credit tracking and facility certification.

Wisconsin's RPS

Year	Minimum
2001 - 2002	0.5 %
2003 - 2004	0.85 %
2005 - 2006	1.2 %
2007 - 2008	1.55 %
2009 – 2010	1.9 %
2011 and beyond	2.2 %

RPS - Future

- 2002: 1.6% of states electricity came from qualified renewable resources.
- Recent study looked at 4 scenarios:
 - 2.2% by end of 2011
 - 4.4% by end of 2011 with same rules
 - 10.0% by 2013 with no exceptions
 - 10.0% by 2013, but including hydro

Regulatory Initiatives Used Elsewhere

(Source: www.dsireusa.org)

Policy	Number
Public Benefits Fund	15
Disclosure	24
RPS	16
Net Metering	45
Contractor License	10
Equipment Certification	9
Access Laws	44
Standards (design/construction)	23
Green Pricing	17

Financial Incentives

	Utility	State	Local
Personal tax		30	
Corporate tax		40	
Sales tax		23	
Property tax		31	
Rebates	26	20	3
Grants	5	25	5
Loans	9	26	6

Summary:

Wisconsin Regulatory Policies

Renewables Encouraged by:

- Net Metering
- Statewide, Interconnection Standards
- Renewable Portfolio Standard
- Green Pricing Programs
- Focus on Energy Incentives

